



4004

ANNUAL REPORT

OF

Name: LAVALLE TELEPHONE COOPERATIVE, INC.

Principal Office: 108 W MAIN ST
P.O. BOX 28
LA VALLE, WI 53941-0028

For the Year Ended: DECEMBER 31, 1997

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

SIGNATURE PAGE

I GREGORY J. ROCKWEILER of
(Person responsible for accounts)

LAVALLE TELEPHONE COOPERATIVE, INC. , certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

GREGORY J. ROCKWEILER 04/24/1998
(Person responsible for accounts) (Date)

ACCOUNTANT
(Title)

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
 CO	.....	Central Office
 Depr	.....	Depreciation
 Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
 FOY	.....	First of Year
 Info	.....	Information
ITC	.....	Investment Tax Credit
 Misc	.....	Miscellaneous
 Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
 Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
 Prop	.....	Property
 Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
 Svcs	.....	Services
 Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
 Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: LAVALLE TELEPHONE COOPERATIVE, INC.
Utility Location: 108 W MAIN ST
P.O. BOX 28
LA VALLE, WI 53941-0028

Utility Web Site Address:

When was utility organized?: 03/26/1956

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: GREGORY J. ROCKWEILER
Title: ACCOUNTANT

Office Address: 108 WEST MAIN
P.O. BOX 28
LAVALLE, WI 53941

Fax Number: (608) 985 - 8080
Telephone Number: (608) 985 - 7201
Email Address: ltc@mwt.net

Individual or firm, if other than utility employee, preparing this report

Name: KIESLING ASSOCIATES LLP
Title: ACCOUNTING FIRM
Firm: KIESLING ASSOCIATES LLP
Office Address: 6401 ODANA ROAD
MADISON, WI 53719-1155

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Person responsible for financial information contained in report

Name: GREGORY J. ROCKWEILER
Title: ACCOUNTANT

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LAVALLE, WI 53941

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Person responsible for statistical information contained in report

Name: GREGORY J. ROCKWEILER
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Email Address: ltc@mwt.net

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: NONE
Address: N/A
 PO BOX 0
 N/A, WI 00000

Number of Shares Held:

Beneficial Owner: NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	1,167,063	1,114,755	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	221,687	255,745	2
Plant Nonspecific Operations Expense	267,345	251,023	3
Customer Operations Expense (6610-6620)	199,110	198,279	4
Corporate Operations Expense (6710-6790)	185,095	181,486	5
Other Operating Income and Expense (7100)	3,260	929	6
Operating Taxes (7200)	69,499	60,322	7
Total Operating Expenses	939,476	945,926	8
Net Operating Income	227,587	168,829	9
Other Income			
Nonoperating Income and Expense (7300)	45,618	38,694	10
Nonoperating Taxes (7400)	(2,670)	3,872	11
Interest and Related Items (7500)	86,660	77,101	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	24,738	7,004	14
Total Nonoperating Income	(13,634)	(35,275)	15
Net Income	213,953	133,554	16

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	253,904	162,090	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	253,904	162,090	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	94,753	79,573	6
Accounts Receivable Allowance-Telecom (1181)*			7
Net: Telecommunications Accounts Receivable	94,753	79,573	
Other Accounts Receivable (1190)*	78,204	68,743	8
Accounts Receivable Allowance--Other (1191)*			9
Net: Other Accounts Receivable	78,204	68,743	
Notes Receivable (1200)*	3,840	12,500	10
Notes Receivable Allowance (1201)*			11
Net: Notes Receivable	3,840	12,500	
Interest and Dividends Receivable (1210)*	4,818	3,468	12
TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL	181,615	164,284	
SUPPLIES			
Inventories (1220)*	94,172	78,186	13
TOTAL SUPPLIES	94,172	78,186	
PREPAYMENTS			
Total Prepayments (1280)*	16,351	20,050	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	16,351	20,050	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*			20
TOTAL OTHER CURRENT ASSETS	0	0	
TOTAL CURRENT ASSETS	546,042	424,610	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*			21
Investments in Nonaffiliated Companies (1402)*	115,998	115,998	22
Nonregulated Investments (1406)*			23
Unamortized Debt Issuance Expense (1407)*			24
Sinking Funds (1408)*	399,725	481,817	25

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	111,890	74,738	26
TOTAL INVESTMENTS	627,613	672,553	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*			27
Deferred Maintenance and Retirements (1438)*			28
Deferred Charges (1439)*	76,534	131,107	29
TOTAL DEFERRED CHARGES	76,534	131,107	
TOTAL NONCURRENT ASSETS	704,147	803,660	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	4,938,903	4,088,296	30
Less: Accumulated Depreciation (3100)*	2,475,316	2,318,029	31
Less: Accumulated Amortization--Capitalized Leases (3410)*		0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*		0	33
Less: Accumulated Amortization--Intangible (3500)*		0	34
NET TELECOMMUNICATIONS PLANT IN SERVICE	2,463,587	1,770,267	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*			35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*		0	36
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*		0	37
Less: Accumulated Depreciation--Nonoperating (3300)*		0	38
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	90,134	6,643	39
TOTAL TPUC	90,134	6,643	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*			40
Less: Accumulated Amortization--Other (3600)*			41
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	2,553,721	1,776,910	
TOTAL ASSETS AND OTHER DEBITS*	3,803,910	3,005,180	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	216,680	84,961	1
Notes Payable (4020)*			2
Advance Billing and Payments (4030)*			3
Customer Deposits (4040)*	2,420	2,870	4
Current Maturities--Long-Term Debt (4050)*	102,100	88,300	5
Current Maturities--Capital Leases (4060)*			6
Income Taxes--Accrued (4070)*			7
Other Taxes--Accrued (4080)*	(6,459)	16,798	8
Net Current Deferred Operating Income Taxes (4100)*			9
Net Current Deferred Nonoperating Income Taxes (4110)*			10
Other Accrued Liabilities (4120)*	16,870	15,323	11
Other Current Liabilities (4130)*			12
TOTAL CURRENT LIABILITIES*	331,611	208,252	
LONG-TERM DEBT			
Funded Debt (4210)*	2,089,216	1,605,156	13
Premium on Long-Term Debt (4220)*			14
Discount on Long-Term Debt (4230)*			15
Reacquired Debt (4240)*			16
Obligations Under Capital Leases (4250)*			17
Advances from Affiliated Companies (4260)*			18
Other Long-Term Debt (4270)*			19
TOTAL LONG-TERM DEBT*	2,089,216	1,605,156	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	124,880	114,528	20
Unamortized Operating ITC--Net (4320)*			21
Unamortized Nonoperating ITC--Net (4330)*			22
Net Noncurrent Deferred Operating Income Taxes (4340)*			23
Net Deferred Tax Liability Adjustments (4341)*			24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*			25
Other Deferred Credits (4360)*	1,840	767	26
Deferred Tax Regulatory Liability (4361)*			27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*	126,720	115,295	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*			28
Additional Paid-in Capital (4520)*			29
Treasury Stock (4530)*			30
Other Capital (4540)*			31
Retained Earnings (4550)*	1,256,363	1,076,477	32
TOTAL STOCKHOLDERS' EQUITY*	1,256,363	1,076,477	
TOTAL LIABILITIES AND OTHER CREDITS*	3,803,910	3,005,180	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	41,744		1
Motor Vehicles	2112	109,778		2
Aircraft	2113			3
Special Purpose Vehicles	2114			4
Garage Work Equipment	2115			5
Other Work Equipment	2116	163,714	45,754	6
Buildings	2121	320,765	868	7
Furniture	2122	33,745		8
Office Equipment	2123	33,018	147	9 A
General Purpose Computers	2124	102,193	8,204	10
TOTAL--GENERAL SUPPORT ASSETS:		804,957	54,973	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	1,003,948	51,204	12 A
Electro-Mechanical Switching	2215	0	0	13 A
Operator Systems	2220	0		14
Radio Systems	2231	171,819	4,575	15 A
Circuit Equipment	2232	278,844	44,778	16 A
TOTAL--CENTRAL OFFICE ASSETS:		1,454,611	100,557	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311			17
Customer Premises Wiring	2321			18
Large Private Branch Exchanges	2341			19
Public Telephone Terminal Equipment	2351	8,299		20 B
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		8,299	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	12,795		22
Aerial Cable	2421	3,793	0	23 A
Underground Cable	2422	0	0	24 A
Buried Cable	2423	1,803,757	810,402	25 A
Submarine Cable	2424	0	0	26 A
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28 A
Aerial Wire	2431	0		29
Conduit Systems	2441	84		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		1,820,429	810,402	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			41,744	1
2112			109,778	2
2113			0	3
2114			0	4
2115			0	5
2116	12,620		196,848	6
2121			321,633	7
2122			33,745	8
2123	0	0	33,165	9 A
2124	1,786		108,611	10
	14,406	0	845,524	
2211			0	11
2212	0	0	1,055,152	12 A
2215	0	0	0	13 A
2220			0	14
2231	0	0	176,394	15 A
2232	0	0	323,622	16 A
	0	0	1,555,168	
2311			0	17
2321			0	18
2341			0	19
2351		(8,299)	0	20 B
2362			0	21
	0	(8,299)	0	
2411			12,795	22
2421	0	0	3,793	23 A
2422	0	0	0	24 A
2423	92,620	0	2,521,539	25 A
2424	0	0	0	26 A
2425			0	27
2426	0	0	0	28 A
2431			0	29
2441			84	30
	92,620	0	2,538,211	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	4,088,296	965,932
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	0	
	107,026	(8,299)	4,938,903	
2001			0	34
			4,938,903	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	24,246		1
Company Communications Equipment	2123.2	8,772	147	2
Software	2212.1			3
Digital Switching - Central Office	2212.2	1,003,948	51,204	4
Digital Switching - Remote	2212.3			5
Step by Step Switching	2215.1			6
Crossbar Switching	2215.2			7
Satellite and Earth Station Facilities	2231.1			8
Other Radio Facilities	2231.2	171,819	4,575	9
Digital Circuit Equipment	2232.1	278,844	44,778	10
Analog Circuit Equipment	2232.2			11
Light Wave Circuit Equipment	2232.3			12
Aerial Cable - Nonmetallic	2421.1			13
Aerial Cable - Metallic	2421.2	3,793		14
Underground Cable - Nonmetallic	2422.1			15
Underground Cable - Metallic	2422.2			16
Buried Cable - Nonmetallic	2423.1			17
Buried Cable - Metallic	2423.2	1,803,757	810,402	18
Submarine Cable - Nonmetallic	2424.1			19
Submarine Cable - Metallic	2424.2			20
Intrabuilding Cable - Nonmetallic	2426.1			21
Intrabuilding Cable - Metallic	2426.2			22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1			24,246	1
2123.2			8,919	2
2212.1			0	3
2212.2			1,055,152	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			176,394	9
2232.1			323,622	10
2232.2			0	11
2232.3			0	12
2421.1			0	13
2421.2			3,793	14
2422.1			0	15
2422.2			0	16
2423.1			0	17
2423.2	92,620		2,521,539	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	58,412		9,447	1c
Aircraft	2113				2
Special Purpose Vehicles	2114				3
Garage Work Equipment	2115				4
Other Work Equipment	2116	127,208	.0	12,876	5c
Buildings	2121	128,481	3.5	11,242	6
Furniture	2122	27,348	7.14	2,409	7
Office Equipment	2123	19,469	.0	2,711	8D
General Purpose Computers	2124	33,253	20.0	20,893	9
Total-- GENERAL SUPPORT ASSETS		394,171		59,578	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211				10
Digital Electronic Switching	2212	613,234	10.0	101,835	11
Electro-Mechanical Switching	2215				12
Operator Systems	2220				13
Radio Systems	2231	57,442	.0	11,572	14D
Circuit Equipment	2232	215,231	.0	8,210	15D
Total-- CENTRAL OFFICE ASSETS		885,907		121,617	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311				16
Customer Premises Wiring	2321				17
Large Private Branch Exchanges	2341				18
Public Telephone Terminal Equipment	2351	7,391	.0	208	19B,D
Other Terminal Equipment	2362				20
Total-- INFORMATION ORIG/TERM ASSETS		7,391		208	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	7,923	6.88	880	21
Aerial Cable	2421	1,000	6.11	231	22
Underground Cable	2422				23
Buried Cable	2423	1,021,610	.0	80,715	24D
Submarine Cable	2424				25
Deep Sea Cable	2425				26
Intrabuilding Network Cable	2426				27
Aerial Wire	2431				28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	27	4.0	3	29
Total-- CABLE WIRE FACILITIES ASSETS		1,030,560		81,829	0
Total Accumulated Depreciation	3100	2,318,029		263,232	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100					
Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112					67,859	1 c
2113					0	2
2114					0	3
2115					0	4
2116	12,620		8,000		135,464	5 c
2121					139,723	6
2122					29,757	7
2123	0				22,180	8 D
2124	1,786	975	1,690		53,075	9
	14,406	975	9,690	0	448,058	
2211					0	10
2212	0				715,069	11
2215	0				0	12
2220					0	13
2231	0				69,014	14 D
2232	0				223,441	15 D
	0	0	0	0	1,007,524	
2311					0	16
2321					0	17
2341					0	18
2351				(7,599)	0	19 B,D
2362					0	20
	0	0	0	(7,599)	0	
2411					8,803	21
2421	0				1,231	22
2422	0				0	23
2423	92,620	35			1,009,670	24 D
2424	0				0	25
2425					0	26
2426	0				0	27
2431					0	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					30	29
	92,620	35	0	0	1,019,734	
3100	107,026	1,010	9,690	(7,599)	2,475,316	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
Office Support Equipment	2123.1	13,945	7.14	1,732		1
Company Communications Equipment	2123.2	5,524	11.0	979		2
Software	2212.1		.0			3
Digital Switching - Central Office	2212.2	613,234	10.0	101,835		4
Digital Switching - Remote	2212.3	0	.0			5
Step by Step Switching	2215.1					6
Crossbar Switching	2215.2					7
Satellite and Earth Station Facilities	2231.1					8
Other Radio Facilities	2231.2	57,442	.0	11,572		9D
Digital Circuit Equipment	2232.1	215,231	.0	8,210		10D
Analog Circuit Equipment	2232.2					11
Light Wave Circuit Equipment	2232.3					12
Aerial Cable - Nonmetallic	2421.1					13
Aerial Cable - Metallic	2421.2	1,000	6.11	231		14
Underground Cable - Nonmetallic	2422.1					15
Underground Cable - Metallic	2422.2					16
Buried Cable - Nonmetallic	2423.1		.0			17
Buried Cable - Metallic	2423.2	1,021,610	.0	80,715		18D
Submarine Cable - Nonmetallic	2424.1					19
Submarine Cable - Metallic	2424.2					20
Intrabuilding Cable - Nonmetallic	2426.1					21
Intrabuilding Cable - Metallic	2426.2					22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1					15,677	1
2123.2					6,503	2
2212.1					0	3
2212.2					715,069	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					69,014	9 D
2232.1					223,441	10 D
2232.2					0	11
2232.3					0	12
2421.1					0	13
2421.2					1,231	14
2422.1					0	15
2422.2					0	16
2423.1					0	17
2423.2	92,620	35			1,009,670	18 D
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	1,076,477	1,022,384	1
Changes:			
Balance Transferred from Income	213,953	133,553	2
Dividends Declared:			
Common	34,067	66,342	3
Preferred			4
Total Dividends Declared	34,067	66,342	
Miscellaneous Debits to Retained Earnings	0	13,118	5
Miscellaneous Credits to Retained Earnings			6
Balance--End of Year	<u>1,256,363</u>	<u>1,076,477</u>	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	364,538	358,361	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	364,538	358,361	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	79,084	76,903	11
Switched Access Revenue (5082)*	378,513	367,592	12
Special Access Revenue (5083)*			13
TOTAL INTERSTATE ACCESS REVENUES (5080)	457,597	444,495	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*			14
Switched Access Revenue (5084.2)*	261,717	222,009	15
Special Access Revenue (5084.3)*	14,200	9,556	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	275,917	231,565	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	150	3,586	17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	150	3,586	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	7,421	6,947	30
Rent Revenue (5240)*	219	219	31
Corporate Operations Revenue (5250)*			32
Miscellaneous:			
Miscellaneous Revenue (5260)*	6,634	9,683	33
Special Billing Arrangements Revenue (5261)			34
Customer Operations Revenue (5262)			35
Plant Operations Revenue (5263)			36
Other Incidental Regulated Revenue (5264)			37
Other Revenue Settlements (5269)			38
Total Miscellaneous Revenue (5260)	6,634	9,683	
Interstate Billing and Collection Revenue*	14,317	15,396	39
Intrastate Billing and Collection Revenue*	42,705	43,794	40
Total Carrier Billing and Collection Revenue (5270)*	57,022	59,190	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	71,296	76,039	
GROSS OPERATING REVENUES	1,169,498	1,114,046	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	2,435	(709)	42
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	2,435	(709)	
TOTAL OPERATING REVENUES	1,167,063	1,114,755	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
PLANT SPECIFIC OPERATIONS EXPENSE				
Total Network Support Expense (6110)		163		1
Less: Nonregulated		0		2
Net Regulated	0	163		3
Total General Support Expense (6120)	36,926	36,055		4
Less: Nonregulated		0		5
Net Regulated	36,926	36,055		6
Total Central Office Switching Expense (6210)	134,417	100,385		7
Less: Nonregulated		0		8
Net Regulated	134,417	100,385		9
Total Operator Systems Expense (6220)		0		10
Less: Nonregulated		0		11
Net Regulated	0	0		12
Total Central Office Transmission Expenses (6230)	3,359	1,587		13
Less: Nonregulated		0		14
Net Regulated	3,359	1,587		15
Total Information Orig. / Term. Expense (6310)	1,172	510		16
Less: Nonregulated		0		17
Net Regulated	1,172	510		18
Total Cable and Wire Fac. Expense (6410)	79,871	82,987		19
Less: Nonregulated		0		20
Net Regulated	79,871	82,987		21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	255,745	221,687		
Less: Nonregulated	0	0		
Net Regulated	255,745	221,687		
PLANT NONSPECIFIC OPERATIONS EXPENSE				
Total Other Property, Plant and Equip. Exp. (6510)	(378)	(1,070)		22
Less: Nonregulated		0		23
Net Regulated	(378)	(1,070)		24
Total Network Operations Expense (6530)	10,443	10,209		25
Less: Nonregulated		0		26
Net Regulated	10,443	10,209		27
Access Expense (6540)		0		28
Less: Nonregulated		0		29
Net Regulated	0	0		30
Total Depreciation and Amortization Expense (6560)	240,958	258,206		31
Less: Nonregulated		0		32
Net Regulated	240,958	258,206		33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	251,023	267,345		
Less: Nonregulated	0	0		
Net Regulated	251,023	267,345		

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110					1
					2
					3
6120					4
					5
					6
6210					7
					8
					9
6220					10
					11
					12
6230					13
					14
					15
6310					16
					17
					18
6410					19
					20
					21
<hr/>					
6510					22
					23
					24
6530					25
					26
					27
6540					28
					29
					30
6560					31
					32
					33

EXPENSE MATRIX - CLASS A & B

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	635	175	34
Less: Nonregulated		0	35
Net Regulated	635	175	36
Total Services (6620)	197,644	198,935	37
Less: Nonregulated		0	38
Net Regulated	197,644	198,935	39
TOTAL CUSTOMER OPERATIONS EXPENSE	198,279	199,110	
Less: Nonregulated	0	0	
Net Regulated	198,279	199,110	
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	56,811	48,710	40
Less: Nonregulated		0	41
Net Regulated	56,811	48,710	42
Total General and Administrative (6720)	124,675	136,385	43
Less: Nonregulated		0	44
Net Regulated	124,675	136,385	45
Provision for Uncollectible Notes Receiv. (6790)		0	46
Less: Nonregulated		0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	181,486	185,095	
Less: Nonregulated	0	0	
Net Regulated	181,486	185,095	
TOTAL EXPENSES	886,533	873,237	
Less: Nonregulated	0	0	
Net Regulated	886,533	873,237	

EXPENSE MATRIX - CLASS A & B (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610					34
					35
					36
6620					37
					38
					39

6710					40
					41
					42
6720					43
					44
					45
6790					46
					47
					48

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EXPENSE MATRIX - CLASS A & B (DETAIL)

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. (6511)		0		1
Provisioning Expense (6512)	(378)	(1,070)		2
Total: Reported in Account 6510	(378)	(1,070)		
Depreciat. Exp.--Tele. Plant in Service (6561)	240,958	258,206		3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)		0		4
Amortization Expense--Tangible (6563)		0		5
Amortization Expense--Intangible (6564)		0		6
Amortization Expense--Other (6565)		0		7
Total: Reported in Account 6560	240,958	258,206		

EXPENSE MATRIX - CLASS A & B (DETAIL) (cont.)

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512					2
6561					3
6562					4
6563					5
6564					6
6565					7

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

**Currently, cooperatives are not billed for remainder assessment, but are subject to
Department of Justice and telephone relay assessments.**

Description (a)	This Year (b)	
Gross Operating Revenues	1,169,498	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year		3
Plus: Total Other Operating Income and (Expense) (7100)	3,260	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes	<u>1,172,758</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	364,538	1
Plus: Total Intrastate Access Revenues (5084)	275,917	2
Plus: Total Long Distance Network Services Revenue	150	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>640,605</u>	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	1,169,498	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year		3
Plus: Total Other Operating Income and (Expense) (7100)	3,260	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Uncollectible Revenue (included in Gross Oper. Rev. on Line 1)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>1,172,758</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	364,538	1
Plus: Total Intrastate Access Revenues (5084)	275,917	2
Plus: Total Long Distance Network Services Revenue	150	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify): NONE	0	5
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>640,605</u>	

OTHER INCOME ACCOUNTS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Income from Custom Work (7110)*	3,260	929	1
Return from Nonregulated Use of Regulated Facilities (7130)*			2
Gains and (Losses) from Foreign Exchange (7140)			3
Gains or (Losses) from the Disposition of Land and Artworks (7150)			4
Other Operating Gains and (Losses) (7160)*			5
TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*	3,260	929	
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)*			6
Operating Federal Income Taxes (7220)*	2,187	(4,040)	7
Operating State and Local Income Taxes (7230)*			8
Operating Other Taxes (7240)*	67,312	64,362	9
Provision for Deferred Operating Income Taxes--Net (7250)*			10
TOTAL OPERATING TAXES (7200)*	69,499	60,322	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)*	1,102	932	11
Interest Income (7320)*	36,023	32,340	12
Income from Sinking and Other Funds (7330)*			13
Allowance for Funds Used During Construction (7340)*	8,493	3,000	14
Gains or (Losses) from the Disposition of Certain Property (7350)*			15
Other Nonoperating Income (7360)*	0	2,422	16
Special Charges (7370)*			17
TOTAL NONOPERATING INCOME AND EXPENSE (7300)*	45,618	38,694	
NONOPERATING TAXES			
Nonoperating Investment Tax Credits--Net (7410)*			18
Nonoperating Federal Income Taxes (7420)*	10,157	9,045	19
Nonoperating State and Local Income Taxes (7430)*			20
Nonoperating Other Taxes (7440)*			21
Provision for Deferred Nonoperating Income Taxes--Net (7450)*	(12,827)	(5,173)	22
TOTAL NONOPERATING TAXES (7400)*	(2,670)	3,872	
INTEREST AND RELATED ITEMS			
Interest on Funded Debt (7510)*	86,632	77,092	23
Interest Expense--Capital Leases (7520)*			24
Amortization of Debt Issuance Expense (7530)*			25
Other Interest Deductions (7540)*	28	9	26
TOTAL INTEREST AND RELATED ITEMS (7500)*	86,660	77,101	
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)*			27
Extraordinary Income Credits (7610)			28
Extraordinary Income Charges (7620)			29
Current Income Tax Effect of Extraordinary Items--Net (7630)			30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)			31
TOTAL EXTRAORDINARY ITEMS (7600)*	0	0	
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)*	24,738	7,004	32

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange			1
Extended Area Service			2
Extended Community Calling	21	94	3
Other Local-Undefined			4
Total Local	21	94	
TOLL			
Operator Handled: State--intraLATA		5	5
Operator Handled: State--interLATA		4	6
Operator Handled: Interstate		7	7
Customer Dialed: State--intraLATA	19	175	8
Customer Dialed: State--interLATA	12	139	9
Customer Dialed: Interstate	14	248	10
WATS			11
Other Toll-Undefined			12
Total Toll	45	578	
Total Local & Toll	66	672	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.					1
Feature Group A -- Term.	2	19			2
Feature Group B -- Orig.					3
Feature Group B -- Term.					4
Feature Group C -- Orig.			1,140	1	5
Feature Group C -- Term.			1,029	1	6
Feature Group D -- Orig.	1,091	678			7
Feature Group D -- Term.	1,978	1,026			8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	391	2
Sheath miles of plant - fiber optics	29	3
Strand miles of plant - fiber optics	720	4
Route miles of plant - microwave	18	5

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	0	2	1
56 kbps	0	2	2
64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	1	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	0	1
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Sheath miles of plant - fiber optics	29	3
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64 kbps (DS0)	0	0	3
1.54 Mbps (DS-1)	1	0	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	130	143	3
2 Party	0		4
4 Party	0		5
PBX Trunks/System Trunks	0		6
Centrex Trunks	0		7
Centrex Lines	0		8
Key System Trunks	0		9
Mobile (Utility Provided Service)	0		10
Paging (Utility Provided Service)	84	67	11
FX-Out (Switched)	3	3	12
Pay Telephone	0	8	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	4	0	16
- Semi-Public	3	0	17
- Cust. Owned	0		18
Other	0		19
Total Business Lines	224	221	20
Residential (Incl. Emp. Concess.)			
1 Party	1,718	1,745	22
2 Party	0		23
4 Party	0		24
FX-Out (Switched)	0		25
Other	0		26
Total Residential Lines	1,718	1,745	27
Total Bus & Res Lines	1,942	1,966	28
Company Used Lines	23	23	29
Total Lines Used	1,965	1,989	30

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	0		3
WATS Lines - 800 Service	0		4
FX-In-intraLATA	10		5
Special Access-intraLATA			6
(expressed in equiv. access lines)	3	4	7
Special Access-interLATA			8
(expressed in equiv. access lines)	24	24	9
Feature Group A Lines	0		10
Feature Group B Trunks	0		11
Feature Group C Trunks	0		12
Feature Group D Trunks	96	102	13
TSPS - Trunks	10	10	14
EAS - Trunks	125	168	15
Cellular Trunks (Pub. Sw. Net.)	0		16
Video Distance Learning			17
- discounted (special tariff)	0		18
Customers			
Business - 2 Party Customers	0	0	19
Business - 4 Party Customers	0	0	20
Residential - 2 Party Customers	0	0	21
Residential - 4 Party Customers	0	0	22
Other			
Total Central Office, Info. Orig./Term., & Cable			23
Wire Fac. Assets (based on physical			24
location of plant)	3,283,339	4,093,379	25
Total Company Square Miles	124	124	26
Total Company Route Miles	341	382	27
Footnotes			28
			29
			30

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0980	2900			1
Business					2
1 Party	35	108			3
2 Party					4
4 Party					5
PBX Trunks/System Trunks					6
Centrex Trunks	---CONF---	---CONF---			7
Centrex Lines					8
Key System Trunks					9
Mobile (utility provided service)					10
Paging (utility provided service)		67			11
FX-Out (Switched)	3				12
Pay Telephone	2	6			13
Coin-Operated Pay Telephone	0	0			14
Independent Pay Telephone Provider	0	0			15
Pay Stations - Public	0	0			16
- Semi-Public	0	0			17
- Cust. Owned					18
Other					19
Total Business Lines	40	181	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	407	1,338			22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
Total Residential Lines	407	1,338	0	0	27
Total Bus & Res Lines	447	1,519	0	0	28
Company Used Lines	5	18			29
Total Lines Used	452	1,537	0	0	30

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0980	2900			1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA					5
Special Access-intraLATA					6
(equiv. access lines)	1	3			7
Special Access-interLATA					8
(equiv. access lines)		24			9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks	38	64			13
TSPS - Trunks	4	6			14
EAS - Trunks	44	124			15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
Customers					19
Business - 2 Party Customers	0				20
Business - 4 Party Customers	0				21
Residential - 2 Party Customers	0				22
Residential - 4 Party Customers	0				23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	1,218,869	2,874,510			27
Exchange Square Miles	51	73			28
Exchange Route Miles	105	277			29
Footnotes					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

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Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	CAZENOVIA	LAVALLE			1
PSCW Exchange ID	0980	2900			2
Central Office Name	CAZENOVIA	LAVALLE			3
PSCW Central Office ID	1	1			4
Manufacturer of COE (Page 54)	SC	SC			5
Year COE Installed	1987	1987			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	H	H			8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID					10
COE Generic Software Release No.	19	19			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	558	1,557			14
- Equipped	618	1,840			15
- Wired	720	1,890			16
Trunks - In Use	121	321			17
- Equipped	2,029	2,069			18
- Wired	192	384			19
ISDN Available?	No	No			20
ISDN Lines - In Use (BRI)	0	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	No	No			23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	16	26			25
DS-3 - In Use	0	0			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	No	No			31
- In Use (# lines) ¹	0	0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	42	120			33
No. of fiber strands working (LIT) in C.O.	4	4			34
No. of fiber strands for interoffice use	0	0			35
Miles of fiber sheath in wire center	2	27			36
Access Tandem Serving this C.O.:					
- C.O. Name	MADISON	MADISON			37
- PSCW C.O. ID	3080-01	3080-01			38
Does this C.O. do access tandem switching?	No	No			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	Yes	Yes			41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Accountants Compilation Report

To the Board of Directors
LaValle Telephone Cooperative
LaValle, Wisconsin

We have compiled the balance sheets of LaValle Telephone Cooperative as of December 31, 1997 and 1996, and the related statements of income and retained earnings for the years then ended, and the statement of cash flows for the year ended December 31, 1997, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form, except for pages 46 through 55.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them. These financial statements were compiled by us from financial statements for the same period that we previously audited, as indicated in our report dated February 12, 1998.

These financial statements (including related disclosures) and the supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

The supplementary information contained on pages 46 through 55 of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

Kiesling Associates LLP
Madison, Wisconsin
April 24, 1998

Schedule Footnotes

Schedule Line Footnotes

- A) -0- transfers/adjustments amount carried over from page 24.
- B) Public payphone equipment was transferred to a nonregulated account during 1997.
- C) Asset is depreciated on a per unit basis.
- D) Various depreciation rates are used within each account and sub-class account.